

**Our commitment to managing costs**

We know that rate increases can be a challenge for our customers, so we take our responsibility seriously in managing our costs of doing business. We have taken a series of actions to reduce costs in 2009 and we are committed to continually implementing efficiency measures and cost-saving projects within our company to keep our costs down. We continue to review and update our work and purchasing processes to reduce costs and more efficiently provide utility services. We are also dedicated to adopting and implementing new cost-saving technologies.

**What you can do to manage costs**

Just as we are committed to managing our costs, we are equally committed to partnering with our customers to help them in managing their energy costs and usage. WPL residential customers can find tips, tools, available programs and other information on energy management at [alliantenergy.com/residential](http://alliantenergy.com/residential). Business customers can access our business resource center and other products and services to manage energy use and costs at [alliantenergy.com/business](http://alliantenergy.com/business). Farm customers can find similar resources at [alliantenergy.com/farm](http://alliantenergy.com/farm). You can also visit [focusonenergy.com](http://focusonenergy.com) for information on rebates and energy-saving programs offered through Focus on Energy, Wisconsin's statewide energy-efficiency and renewable energy initiative.

**For more information**

If you have any questions about the proposed rate changes, please call our customer service center at 1-800-ALLIANT (1-800-255-4268). Company representatives are available 24 hours a day, seven days a week to assist you. Further information is also available at [alliantenergy.com/wisconsinrates](http://alliantenergy.com/wisconsinrates). Please note that the PSC oversees the rates we charge our customers and they must approve any rate changes after a thorough review of the data we submit to them and after obtaining input from the public. The actual amounts may change as we work with the PSC through the rate case process.



# RATE INFORMATION

An explanation  
of changes to electric  
and gas rates

Further information  
available at  
[alliantenergy.com/  
wisconsinrates](http://alliantenergy.com/wisconsinrates)





## **WPL request to change electric and natural gas rates**

On May 8, 2009, Wisconsin Power and Light Company (WPL), an Alliant Energy company, applied to the Public Service Commission of Wisconsin \* (PSC) to change rates in order to recover expected electric and natural gas increases during 2010. If the PSC were to adopt the changes proposed in WPL's application, the impact on current rates would include an overall increase in retail electric rates of 9.2 percent and an overall increase in natural gas service rates of 2.6 percent, both effective January 1, 2010. The PSC may approve different rate levels than those requested; percentage adjustments may vary for individual customers, depending on customer class and usage pattern and the rate levels authorized by the PSC.

If the proposed electric increase was applied to current rates, we estimate that a typical residential electric customer using 600 kilowatt hours of electricity each month would see an increase of about \$8.78 on their monthly bill. If the proposed natural gas service rate increase was applied to current rates, we estimate that a typical residential natural gas customer using 60 therms of natural gas each month would see an increase of about \$2.40 on their monthly bill.

As part of their review process, the PSC held a pre-hearing conference on July 7, 2009 at their offices in Madison, Wisconsin. Technical and public hearings are slated for October 7, 2009. The technical hearings will be held at the PSC offices in Madison. Public hearings are presently planned in Madison and at one or more other locations in WPL's service territory. In addition, the PSC will likely provide time during the technical hearing for members of the public to testify. To obtain more specific information about the hearing schedule or regulatory process, please call the PSC at 1-800-358-9246. Or, contact them by mail at Alliant-WPL Rate Case, Public Service Commission of Wisconsin, 610 N. Whitney Way, P.O. Box 7854, Madison, WI 53707-7854.

\*The PSC is an independent state agency that regulates Wisconsin utilities

## **Primary reasons for the electric and gas increase request**

The request seeks to recover costs of operating the electric and natural gas utility systems. Among the increased costs are those associated with providing utility service and investments related to maintaining a safe and reliable electric and gas infrastructure, enhancing renewable energy resources, promoting environmental stewardship via environmental control projects and providing additional energy-efficiency initiatives and options for customers. WPL's increased electric costs have been partially offset by recent decreases in electric fuel costs.

### **Our rate request covers:**

- **Infrastructure costs** – We are obligated to serve our customers, maintain the quality of service to them, and stay financially strong to provide for continued and ongoing utility services. Infrastructure costs are the expenses the utility incurs that do not depend on the amount of electricity that flows through our system. Items such as the utility's investment in its power plants, wind farms, meters, transformers, electric services lines and other equipment, assets and services that are necessary to serve each and every customer.
- **Reliability and safety enhancements** – Costs have increased for the infrastructure needed to maintain a reliable and safe electric system. Reliable power is essential to Wisconsin's economic growth and important to our collective quality of life.
- **Environmental stewardship** – We continue to invest in renewable energy sources, like our proposed 200-megawatt Bent Tree Wind Farm project, as well as required environmental control projects that comply with stricter environmental regulations. These projects are helping to reduce our impact on the environment for future Wisconsin generations.
- **Energy efficiency** – We will provide more tools and programs to our customers to help them manage their energy use while supporting important energy conservation efforts. Using energy wisely is in the best interest of our company, our customers, and our environment.